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RUEKJCS/SECDEF WASHINGTON DC PRIORITY

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C O N F I D E N T I A L SECTION 01 OF 02 TIRANA 000002

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SUBJECT: ALBANIAN PARLIAMENTARY ELECTIONS, SIX MONTHS OUT

Classified By: CDA Stephen A. Cristina, reasons 1.4 (b) and (d)

11. (C) SUMMARY: The passage of the Electoral Code on December 29 cleared the last major legislative hurdle necessary for the 2009 parliamentary elections, which will take place at the end of June. With the Electoral Code out of the way, attention will increasingly focus on the election campaign and dealmaking between the various political parties. Although it is still too early to predict a winner, the campaign is likely to focus around several key issues: the outcome of the Gerdec, Fazlic and Durres-Kukes investigations; the "damaged brand" of Sali Berisha's Democratic Party; the implementation of the national ID and passport project; and whether the two main parties on the left can reach a coalition deal that will unify the opposition. END SUMMARY.

Ruling Democratic Party Faces Uphill Battle for Re-election

- 12. (C) Prime Minister Sali Berisha's Democratic Party (DP) faces a difficult political climate as it moves towards the elections. A widely leaked internal DP poll shows the DP trailing the opposition Socialist Party (SP) badly in the Tirana-Durres region a region that will send 33 out of 140 MPs to the next parliament. According to the poll, the SP leads in the Tirana-Durres region with 45 percent, with the DP at 29 percent, and two other left-wing parties at 10 percent each. Taken together, the SP and its potential coalition partners lead the DP 65-29 percent in this crucial region.
- 13. (C) The DP, which swept to power in 2005 on an anti-corruption platform, has been badly tarnished by an overall (but in many ways false) public perception that GOA anti-corruption efforts have largely failed. Recent scandals alleging corruption on the part of Berisha's children or members of his inner circle have also badly damaged the DP brand heading into the election, and diminish whatever value Berisha gets from his reputation as being personally clean. Former Foreign Minister and SP strategist and MP Kastriot Islami told PolOff that conditions for the DP are so bad that there is "no way" the DP can win in June without resorting to fraud. (NOTE: Islami served as the SP's "fixer" for the 2005 parliamentary elections and knows a thing or two about vote fraud himself).

Gerdec, Durres-Kukes and Fazlic, Oh My!

14. (C) The ongoing investigations into the Gerdec tragedy and money laundering allegations against Bosnian businessman Damir Fazlic, as well as Foreign Minister Basha's upcoming trial on abuse of power charges all feed into the public perception that the Berisha government is corrupt. Both the

Gerdec and Fazlic investigations threaten to reveal embarrassing and possibly illegal business deals involving Berisha's children. Serious allegations against Berisha's children will be politically devastating for the PD and for Berisha personally.

National ID Program On Track - For Now

15. (SBU) The new Electoral Code mandates that only voters able to show the new ID card or passport will be allowed to vote. Not a single ID card or passport has been produced yet, but production is expected to start in late January, 2009 (only about three weeks behind schedule). But production of the million-plus IDs and passports required for voters faces numerous high hurdles, and one serious glitch between now and June could throw the entire election into technical chaos. (NOTE: The Albanian American Enterprise is a partner with the French firm that won the contract for issuing the IDs/Passports. END NOTE) Perhaps most daunting is the fact that the vast majority of registered voters have not yet registered for the National Registry - a necessary first step to receive an ID card or passport.

## A Unified Left?

16. (C) Despite its badly tarnished image, the Democratic Party remains far more united than the fractious left, which is divided between the Socialist Party under Tirana Mayor Edi Rama and Ilir Meta's Movement for Socialist Integration

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(LSI). Although the SP and LSI have made efforts lately to play nice, Meta and Rama remain bitter rivals, and a pre-election coalition between the two parties seems, at least at this point, unlikely. However, SP strategist and MP Kastriot Islami told PolOff on December 29 that whether SP and LSI run together or separately won't matter much in terms of seats in the next parliament, with Islami speculating that a combined left ticket would gain at most two more seats than a split LSI-SP ticket. The bigger worry for the left is that Meta, in his zeal to replace Rama as the leader of the SP, will somehow sabotage SP efforts in hopes that a defeated SP electorate will turn to the former Prime Minister Meta.

## COMMENT

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17. (C) Even with all of the Democratic Party's troubles - fallout from the Gerdec explosion; corruption allegations; and a generally ineffective government, the Berisha government can and will take credit for bringing Albania into NATO and for a period of relative stability and strong economic growth. Sali Berisha also remains Albania's sharpest and at times most ruthless political strategist, and his opponents on both the left and the right underestimate him at their own peril. Kastriot Islami told PolOff that in even a best case scenario, the SP can expect to win at most a ten seat majority in the next parliament, meaning that a close, and hard-fought election campaign can be expected to unfold between now and June.

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